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Agents: 6.00 Din. Iran... 115 Rate Oman... 1,000 Rate...

ESTABLISHED 1887

Moscow Debates: A Turning Point

By Philip Taubman... MOSCOW — As political life in the Communist Party conference...

U.S. Downs Iranian Airliner in Gulf, Saying Jet Ignored Navy's Warnings



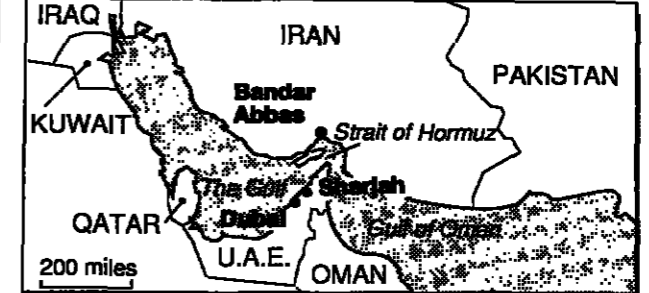
Admiral William Crowe, chairman of the Joint Chiefs of Staff...

290 Deaths Reported, Reagan Voices Regret

WASHINGTON — A U.S. warship shot down an Iranian airliner Sunday over the Strait of Hormuz...

The U.S. Explanation

The Iranian airliner "was headed directly for the USS Vincennes, which was at the time engaged with five Iranian gunboats..."



Chronology of Events... 6.10 GMT U.S. helicopter fired on by three small boats...

Tehran Vows to Avenge 'a Massacre'

NICOSIA — Iran accused the United States on Sunday of "a barbaric massacre" in shooting down an Iranian airliner...

The Iranian foreign minister, Ali Akbar Velayati, called for international condemnation of Washington's "capital crime..."

Kiosk

PLO Endorses Peace Proposal

TUNIS (AP) — Bassam Abu Sharif, chief spokesman of the Palestine Liberation Organization...



Clash Over Excavation Near Temple Mount

An Arab woman being led away after she was overcome by tear gas Sunday during a clash between Palestinians and Israeli policemen in Jerusalem's Old City...

Toll in Downing of Korean Jet Surpassed

WASHINGTON — The downing of the Iran Air jet with 290 people aboard, apparently with no survivors...

Incident Expected to End U.S.-Iran Overtures

WASHINGTON — The U.S. downing of an Iranian Airbus seems certain to put an end to a series of signals that Iran and the Reagan administration had been exchanging...

MONDAY Q&A

Stephen Ledogar, head of the U.S. delegation at Vienna talks on conventional arms control, discusses Soviet intentions. Page 2.

U.S. Appears to Be the Choice for Staging the 1994 World Soccer Cup

LONDON — A group of American citizens in Zurich, including friends of President Ronald Reagan and heads of corporate industries...



Joao Havelange

Vertical sidebar text containing various notices and advertisements.



هكذا من الليل

# Salinas Expects Stronger Rivals in Mexican Congress

By Larry Rohter  
New York Times Service  
MEXICO CITY — The ruling Institutional Revolutionary Party has never lost a presidential election, and its candidate, Carlos Salinas de Gortari, is virtually certain to continue that tradition Wednesday.

For the first time, the party cannot be absolutely sure of its prospects in another election: that of the 44 senators and 500 deputies to be chosen the same day.

Many Mexican political experts say that vote is important because it will shape the political landscape in which Mr. Salinas will have to operate when he is sworn in Dec. 1.

"What is really at stake," Jaime Sanchez Susarrey wrote recently in *Vuelta*, an influential political and intellectual journal, "is the weight the opposition will have in the legislative branch."

Whether Mr. Salinas will be able to guide the process of change, and do it in a way that allows his party to remain the country's dominant force, will be the central question of Mexican political life for the next six years.

Interest in the congressional elections is running unusually high, even though, under the Mexican system, the legislative branch is nearly subordinate to the executive and has in the past played a largely ceremonial role.

For one thing, this election is being more seriously contested than the one six years ago, when, amid charges of vote fraud, the opposition won only one seat in the Chamber of Deputies through direct popular vote.

The vote for the ruling Institutional Revolutionary Party's congressional candidates traditionally runs behind that for the presidential candidate. The party has won every presidential, senatorial and gubernatorial election since coming to power in 1929.



The presidential candidate for the Institutional Revolutionary Party, Carlos Salinas de Gortari, speaking in front of a giant poster of Mexico's first revolutionary president, Francisco Madero, in Mexico City on Saturday. Mr. Salinas is generally expected to win the election Wednesday.

But the last six years of economic crisis have seen inflation rise to record levels, the debt climb to more than \$100 billion and real wages cut in half. Candidates of both the right-of-center National Action Party and the left-populist National Democratic Front are gleefully anticipating widespread voter discontent with the Institutional Revolutionary Party.

In addition, the new congress is likely to provide a major test for the promise of competitive and more democratic politics that Mr. Salinas has made his campaign's centerpiece.

An increased opposition presence in both chambers would oblige Mr. Salinas to become "the first president in modern Mexican history to have to be a coalition builder," according to a historian, Enrique Krauze, author of a best-selling book, "For a Democracy Without Adjectives."

For instance, constitutional amendments must be approved by a two-thirds majority in the congress.

Some Institutional Revolutionary Party leaders do not want the party to fall below that level and are said by the opposition to be prepared once again to resort to vote manipulation to maintain a larger, more comfortable majority.

Mr. Salinas, 40, has attempted to make good his promise of political renovation by sprinkling women and candidates of his own generation throughout his party's slate for the Senate and Chamber of Deputies. But congressional nominations are also the object of negotiation among various groups within the party, and Mr. Salinas has been forced to make concessions to win the allegiance of those who opposed his nomination and his economic policies.

As a result, one diplomat here said, his party has come up with a lackluster legislative slate that "mixes oil and water."

**Czech Pilgrimage**  
(Reuters) — More than 100,000 pilgrims are expected to undertake the strength of the authorities.

The pilgrimage on foot, led by priests and monks, is the medieval custom that began in 1629 when the local priest, St. Ignace, invited the country's first general of Japan's Defense Agency, Gen. Chok Tong, the official said.

Japan was willing to pay to maintain the stability of Southeast Asia, said concern that the U.S. presence was diluted for economic reasons.

**Bolster Asia Stability**  
Gen. Chok Tong, the official said, emphasized that Japan was willing to pay to maintain the stability of Southeast Asia, said concern that the U.S. presence was diluted for economic reasons.

**EL UPDATE**  
for European Airport  
West European airports were clogged with the weekend waiting to get on because of congestion at Mediterranean airports. The increase in charter flights, which can air traffic control system, an official in Manchester in northern England is taking off. London's Gatwick airport in Britain, and Birmingham in delays.

that domestic flights were leaving on a constant problem with delays and rough France reported long delays for traffic, the situation was reported.

thousands of vacationers were stranded as flights were delayed. Barcelona with a up to two hours. At the other end port reported two-hour delays in flights.

**Security Is Critical**  
The Soviet aviation minister, Mikhail Gromov, said security measures against hijackers should be called for greater vigilance.

measures we take have a limited effect, he said, and their dependence on the sea is a liability.

**son Is Dead at**  
Eddie... with Count Basie... Mildred E. Gilliam... Known as AME... NEW YORK... Bill Roberts... Ex-Republican... NEW YORK...

**Short Takes**  
"A Bright Shining Lie: John Paul Vann and America in Vietnam," by the former New York Times correspondent Neil Sheehan, will be published Oct. 14. Four excerpts have started appearing in *The New Yorker* magazine. Colonel Vann was a senior U.S. adviser to the South Vietnamese army, and a virtual teacher for the American correspondents there. "He profoundly influenced all of us who came to know him," Mr. Sheehan told *The Times*, and he was colorful and fearless, "the closest thing the U.S. had in Vietnam to a Lawrence of Arabia." Colonel Vann was killed in a helicopter accident in Vietnam's Central Highlands in 1972. Mr. Sheehan said that when he attended the funeral, he realized that the colonel epitomized the U.S. role in Vietnam, and this prompted him to write the book.

**Burma Said to Arrest Revolt Leader**  
with students in Rangoon said on arrival here this weekend that Sai Kyawwe, 26, was seized a week ago at his home in Taunggyi, in the north. The travelers said the students felt certain the charges of possession of weapons and heroin were false. The rioting was in March and May.

# Shultz Is Hoping to Make Progress On Philippine Bases and Cambodia

By Jim Mann  
Los Angeles Times Service  
WASHINGTON — Secretary of State George P. Shultz departs Tuesday for a seven-nation tour of East Asia during which U.S. officials hope to conclude a short-term agreement on continued American use of military bases in the Philippines and to make progress toward a settlement of Cambodia's political future.

For the past three months, U.S. and Philippine officials have been meeting to review the conditions under which U.S. forces make use of Clark Air Base and the Subic Bay naval complex.

The Manila government is seeking a substantial increase in the \$180 million a year military aid package that the United States provides in exchange for the bases.

In recent weeks, several U.S. officials have expressed optimism that a deal on the bases might be struck by the time Mr. Shultz meets with President Corason C. Aquino July 11-13 in Manila.

"It looks now like there will be an agreement when Shultz goes out there," a senior U.S. official said last week. "There are no guarantees, but the negotiations have become much more serious."

Any agreement on the U.S. bases would be short-term, officials said. It probably would settle questions of U.S. compensation to the Philippines until the current agreement on the bases runs out in 1991-92, they said, but would leave unsettled the question of whether the United States could continue to use the strategically located facilities.

During his 15-day trip to Asia, Mr. Shultz will stop first in Bangkok to attend the 21st annual meeting of foreign ministers of the Association of Southeast Asian Nations. He then will travel to Malaysia, Indonesia, the Philippines, Hong Kong, China, South Korea, Japan and the Marshall Islands. It will probably be the last trip to Asia in his six-year tenure as secretary of state.

Officials of the ASEAN countries — which include Thailand, Malaysia, Singapore, Indonesia, the Philippines and Brunei — are expected to seek U.S. help in reaching a political settlement of Cambodia's future at a time when Vietnam is withdrawing troops from the country.

News agency reports from Bangkok said that the foreign ministers meeting, which opens Monday, will consider a plan for Cambodia that calls for a cease-fire, a three-phase Vietnam troop withdrawal, a two-phase disarmament of Cambodian combatants, the establishment of a provisional government in Phnom Penh and elections supervised by an international peacekeeping force to be stationed in Cambodia for five years.

■ **Opposition Unity**  
In a rare public display of unity, the three Cambodian opposition forces have agreed on a common front for coming talks with the Cambodian government and Vietnam. The New York Times reported from Bangkok.

Among other proposals, they will seek an international peacekeeping force to guarantee the neutrality and independence of any future Cambodian government.

The three groups — the Khmer Rouge, the Khmer People's National Liberation Front and the army of Prince Norodom Sihanouk — have also agreed to make Prince Sihanouk their sole spokesman in the talks with the Phnom Penh government and Vietnam, an official of one of the organizations said.

The Vietnamese foreign minister, Nguyen Co Thach, has agreed to take part, according to Vietnam news reports, marking the first time that Vietnam has agreed to join in talks on ending the decade-long guerrilla war.

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■ **Talks Backed by ASEAN**  
ASEAN foreign ministers welcomed the Indonesia-sponsored talks on Cambodia and urged all participants to use the opportunity to reach elements of a settlement of the conflict. Reuters reported Sunday from Bangkok.

# 'Boat People' Accord Urged

They are likely to seek endorsement for a proposal to repatriate those Vietnamese considered not to be political refugees, and to relocate all refugees from the region in an island camp.

The association and Hong Kong, which also is facing a serious problem from the refugees, are likely to press Western countries to revert to a fixed quota of refugees, instead of allowing their intake to drop as it has recently, Asian diplomats said.

Asian countries have begun closing their doors to the "boat people" 13 years after the end of the Vietnam War.

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# Fraud Investigations Assailed

By Philip Shenon  
New York Times Service  
WASHINGTON — Even as the Department of Justice pursues one of the largest military-procurement investigations in its history, its efforts in prosecuting fraud in the defense industry have been criticized extensively in a report by Congress's investigative agency.

The report by the General Accounting Office does not address the current investigation into allegations of fraud and bribery in Pentagon procurement.

But it comes at a time that Justice Department officials themselves are expressing concern about the management of a newly disclosed procurement bribery case that is being overseen by the U.S. attorney's office in Alexandria, Virginia.

The General Accounting Office said in the report Saturday to the Senate that the department's program against fraud in procurement appeared to be understaffed and that departmental supervisors were failing to keep track of military fraud cases.

While taking note that the department might be in the midst of uncovering "one of the biggest procurement scandals" ever, the report raised questions about whether other important fraud investigations into military supplying had been aggressively pursued.

The deputy assistant attorney general, Victoria Toensing, who oversees procurement fraud cases handled in Washington, called the report "irrelevant, especially when we're in the midst of a very large defense fraud investigation."

She acknowledged that there were serious problems, but said they were largely the result of inadequate financing by Congress.

She is not in charge of day-to-day management of the Pentagon bribery investigation, in which several of the largest military contractors have come under scrutiny.

It is instead being handled by the U.S. attorney in Alexandria, Henry E. Hudson, with assistance from prosecutors in Washington, as well as investigators from the FBI and the Naval Investigative Service.

A number of department officials said that concern over management of the inquiry by the Virginia prosecutors had grown acute on Thursday when a highly sensitive court document in the case, an affidavit that detailed the history of the investigation and identified suspects, was made public Thursday in Dallas, apparently without the approval or even the knowledge of the Virginia prosecutors.

Justice Department officials said the incident, in which valuable information may have been provided to potential defendants, demonstrated the necessity of transferring supervision of the case from Virginia to Washington headquarters.

They said headquarters would be better able to monitor developments in an investigation that involves suspects in several different regions of the country.

The officials said recent turmoil at the department's headquarters, prompted by the departure of several senior officials angered by the continuing legal troubles of Attorney General Edwin Meese 3d, had ended.

"We have strong replacements for the people who left," one Justice Department official said. "It's time for this case to be handled out of Washington."

The senators who requested the GAO study, Charles E. Grassley, an Iowa Republican, and William Proxmire, a Wisconsin Democrat, said that it showed that "the Justice Department's lackadaisical, careless, hands-off management goes far to explain why the government is losing the war against defense fraud."

They said that "if any major private law firm handled its affairs the way Justice handles the defense fraud program, it would be out of business within a year."

The senators, who have often had harsh words for the department's efforts against fraud in procurement, said they believed that "the recent revelations of defense fraud are only the tip of an iceberg of widespread improper and illegal activities."

The GAO report made little mention of the newly disclosed bribery investigation except to say that it news accounts about wrongdoing among Defense Department employees and military consultants proved true, "the country may have witnessed one of the biggest procurement scandals in its history."

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ANNOUNCEMENT

THE ISLAMIC DEVELOPMENT BANK (IDB) is pleased to inform all pilgrims (Hajjaj) that it has made arrangements for the purchase of 600,000 heads of sheep from SAUDI LIVESTOCK TRANSPORT & TRADING COMPANY AND MSIR MOHAMMED ALMUKETISH & PARTNERS so as to sell these sheep, which conform to all relevant Sharia and health conditions, to pilgrims who desire to give authorization to the Islamic Development Bank to slaughter sheep on their behalf in the slaughter houses designated for the project in Mecca in the framework of the Kingdom of Saudi Arabia "AL HAJJ AND AL ADHWA' (The Sacrificial) MEAT UTILIZATION PROJECT". Under this project which will be implemented by the Islamic Development Bank in collaboration with the competent Saudi authorities, the Bank will slaughter and prepare these sheep for the benefit of poor Muslims, where the Hajj meat will be distributed to the poor Muslims of the Holy Haram, and the surplus meat from other kinds of sacrifices will be transported by air, sea or land, whichever is more appropriate, and distributed to poor Muslims and refugees in Jordan, Palestine, Bangladesh, Burma, Chad, Comoro Island, Gambia, Djibouti, Senegal, Sudan, Syria, Sierra Leone, Guinea Bissau, Guinea Conakry, Kenya, Lebanon, Mali, Egypt, Mauritania, Niger and Tanzania. Payment for required sheep should be made through the branches of the RAJHI BANKING FOR INVESTMENT CORPORATION mentioned below.

This project stems from the concern of the Kingdom of Saudi Arabia to take every possible measure to extend assistance to pilgrims in the performance of their religious obligations and to facilitate the pilgrims fulfillment of the Hajj rites.

In view of the overcrowdedness observed at AL MOAISIM MODEL SLAUGHTERHOUSE during the Hajj season of 1403H, a factor which made it extremely difficult to ensure the full anticipated benefit, it has been decided that slaughtering at these slaughterhouses would be restricted to those who wish to authorize the assigned committee to slaughter on their behalf in the framework of the above mentioned project in order to facilitate access for pilgrims and to achieve the desired benefit. This plan was successfully carried out during the Hajj seasons of 1404H, 1405H, 1406H and 1407H. In addition, a representative of 30 or more pilgrims is entitled to attend the slaughtering on their behalf.

The Government of the Kingdom of Saudi Arabia has provided the slaughterhouses assigned for the project with the most modern machines and equipment for full utilization of the meat of sheep slaughtered there.

Any person wishing to authorize IDB for the slaughtering on his behalf may pay, as from the date of this advertisement, two hundred and eighty Saudi Riyals (SR. 280) to AL RAJHI BANKING FOR INVESTMENT CORPORATION. The payer will receive in return a purchase voucher duly indicating the type of sacrifice required, whether Hady, Fidyah, Uthriya or Sadaqa. This amount includes the price of one sheep and part of the cost of slaughtering, skinning, cleaning, veterinary services and transport of the meat to the deserving people.

For these types of sacrifices, (600,000) six hundred thousand vouchers have been prepared. Selling of these vouchers will stop once this number has been sold out. In view of last year's experience when all the vouchers had been sold out by the first day of Al Adha Feast, we would like to urge all pilgrims wishing to delegate the performance of the slaughtering rite for Hajj (for Thawaf and Qiran) as well as for Uthriya to set out immediately to buy these vouchers before they are sold out as this is the maximum number the project can carry out this year.

The voucher shall be issued to the purchaser after particulars, regarding authorization, are filled up at any branch of AL RAJHI BANKING FOR INVESTMENT CORPORATION situated in Mehdah, Medina, Mera, Azhar and all other Saudi cities.



# South Korean Military Has First Big Shift of Command Under Roh

By Susan Chira  
New York Times Service  
TOKYO — A large-scale shift of military commanders has taken place in South Korea's armed forces, the first since President Roh Tae Woo took office in February.

Any changes in military posts come under close scrutiny in South Korea because of the powerful influence the military has exercised over political developments in the past. Because of the secrecy surrounding military affairs in South Korea, however, it was not immediately clear what political effect the changes might have.

The reassignments, which became effective Friday, were not publicly announced. Some Koreans familiar with them suggested that Mr. Roh had instigated some of the promotions to consolidate his hold over the military, which includes many officers loyal to Chun Doo Hwan, Mr. Roh's predecessor.

At least three two-star generals who had served under Mr. Roh

when he commanded the army's 9th Division were given strategic posts, these sources said.

But two Westerners who also knew about the shifts said that Mr. Roh had been exercising far less political control over the military than any of his predecessors, and that he has not insisted upon approving individual promotions and retirements.

"There are strong signs that Mr. Roh is decentralizing and democratizing the government," said one Westerner knowledgeable about Korean politics.

"He has enmeshed his cabinet officers to indeed run their ministries," the Westerner said. "As for military promotions, he has shown a strong wish that promotions be handled by promotion boards, and most don't have to go by the Blue House." The presidential residence is known as the Blue House.

One Westerner who monitors the South Korean military said that the shifts probably reflected both the normal course of promotion and retirement in the military and the understandable desire of a leader to promote officers he knows and trusts.

"I don't think you have to choose between either interpretation," he said. "We don't see anything drastic or alarming here."

Many of the reassignments involved two-star generals at the level of division commander, rather than the highest-ranking four-star generals. The allegiance of division commanders was critical when Mr. Chun, assisted by Mr. Roh, then a division commander himself, engineered a military coup in December 1979.

It was not clear how many officers were affected by the reassignments, although reports indicated that dozens were involved, and one estimate ran as high as 80.

Mr. Roh has come under severe criticism lately, both from the more liberal wing of his own party and from opposition politicians, for failing to push through political changes fast enough. The reassignments might make him more confident of his ability to pick up the pace of change, although the military is not the only group to oppose change.

"Mr. Roh has to be careful," the Westerner who monitors the military said. "There are a lot of people around who are frightened and alarmed by rapid change."

Mr. Roh, who was a close ally of Mr. Chun and his chosen successor, has sought to distance himself from his unpopular predecessor.



Pope John Paul II praying Sunday at the canonization of two saints in St. Peter's Basilica.

# Pope Warns Followers of Lefebvre And Promises to Meet Their Needs

The Associated Press  
VATICAN CITY — Pope John Paul II has warned followers of Archbishop Marcel Lefebvre they will be excommunicated if they stay with the defiant prelate, but he promised the church will meet their traditionalist needs if they remain loyal to the papacy.

The Vatican also announced that Monsignor Antonio de Castro Mayer, a Brazilian prelate who assisted Archbishop Lefebvre in consecrating four bishops to take charge of his traditionalist movement, had been excommunicated.

Archbishop Lefebvre and the four prelates were excommunicated Thursday after he defied the pope and performed the consecrations without his approval. The consecration led to the first church schism in 118 years.

"No one should ignore that formal adherence to the schism constitutes a grave offense to God and leads to excommunication established by the right of the church,"

the pope said in his first public statement on the case since the consecrations in Ecône, Switzerland.

In an apostolic letter to bishops, he urged Archbishop Lefebvre's followers to "fulfill the serious obligation to remain united with the vicar of Christ in the unity of the church." He also asked the followers of Archbishop Lefebvre not to continue to sustain his movement "in any way."

To those wishing to remain faithful to the papacy, John Paul promised to guarantee their traditionalist needs, giving special attention to the 16th-century Tridentine Mass. In his letter, released by the Vatican in both Latin and Italian, the pope addressed "all those Catholic faithful who feel close to some older liturgical forms and disciplines of the Latin tradition."

"I would like to express my will," the pope said, "to facilitate their spiritual unity with the church, through the means necessary to guarantee respect for their just aspirations."

Archbishop Lefebvre claims millions of followers around the world. The Vatican spokesman, Joaquin Navarro, said recently that Archbishop Lefebvre's supporters numbered 80,000 to 100,000, but other Vatican officials have said about half a million people turn to his movement for various church functions. John Paul said that the church as a whole reacted with "great distress" to Thursday's consecrations, which "made useless years of efforts" to reach a settlement with Archbishop Lefebvre's Priestly Fraternity of Saint Pius X.

"This despair is felt particularly by the successor of Peter," the pope said, adding that this was so "even if the number of people directly involved in these events is small." In another development, John Paul canonized two saints on Sunday in a ceremony in St. Peter's Basilica. The new saints are Rose Philippine Duchesne, a 19th-century French missionary nun, and Simone de Roxas, a 16th-century Spanish priest.

# Somalia Regime Faces Collapse as Rebels Gain

By Blaine Harden  
Washington Post Service  
NAIROBI — The U.S.-backed government of Somalia is facing an unprecedented military challenge from rebel forces and appears to be in danger of collapse, according to sources who were recently inside the country.

In the past month, a rebel army of about 10,000 men has engaged government soldiers in heavy fighting in several major Northern towns, these sources said. They said the rebels, members of the Somali National Movement, appear to have enough arms, ammunition and civilian support to wage a protracted guerrilla war.

Observers said the war has caused as many as 10,000 deaths in the past four weeks. The fighting has razed a number of towns and triggered a flood of refugees into neighboring Ethiopia.

A spokesman for the United Nations High Commissioner for Refugees said Friday that about 25,000 Northern Somalis have fled across the border in recent weeks.

The government of President Mohammed Siad Barre, which grants the U.S. military landing rights in Somalia and, in return, receives about \$75 million a year in American economic and military assistance, has denied the seriousness of the recent rebel challenge.

Official statements have said "the bandits have been totally wiped out" and that the situation in the North of the country is "very normal." The government has not

allowed foreign journalists into the country since late May.

In Washington, the Somali ambassador, Abdullahi Ahmed Adou, said Friday that the North was "totally calm, peaceful and under the control of the Somali government."

However, sources recently in the country painted a picture of an embattled, dictatorial and highly unpopular government that is arbitrarily detaining and sometimes executing suspected rebel sympathizers. At the same time, these sources said, Mr. Siad Barre's regime is struggling to lead a dispirited army that has been weakened by desertion and by defection to the rebel cause.

Somalia has been ruled for nearly 19 years by Mr. Siad Barre, who is believed to be about 80 years old. He came to power in a military coup and has long been viewed by Western diplomats as an autocratic but witty manipulator of Somalia's many rival clans.

In recent years, however, Mr. Siad Barre has been showing the effects of age and ill health. Diplomats and Westerners who have served in his government say the president no longer seems capable of building the stabilizing coalition that in the past has divided power and patronage among various clan leaders.

In Somalia, where most of the 5.7 million people are camel-herding nomads, the support of major clan leaders remains the key to political survival.

The rebel movement fighting in Northern Somalia draws its support and its fighters from one of the country's largest and most disfavored clans, the Isaaq.

They are believed to represent about 20 percent of the country's population. As Mr. Siad Barre has narrowed his circle of ministers and advisers to members of his own Marehan clan, observers say the Isaaq appear to have picked up support from alienated clan leaders.

Richard Greenfield, a British political adviser in Mr. Siad Barre's government until last year, said, "This is the biggest threat to Barre's regime and to the trust between the various segments of the Somali nation that has occurred since the coup that brought Barre to power. I think the odds now are that the government will fall."

Following the rebel offensive in the North, the government has detained several hundred Isaaq, both in the North and in the Southern capital of Mogadishu, according to the human-rights organization, Amnesty International.

An Amnesty spokesman, Martin Hill, said Friday that many of the detainees were prominent business and political leaders who had no connection to the rebel cause.

In order to recruit the soldiers needed to counter the rebel offensive in the North, Mr. Siad Barre's government in the past month has rounded up thousands of young men on the streets of the capital and conscripted them into the

army, according to sources who were in Mogadishu recently.

Rebels of the Somali National Movement, which was formed in 1982 by disaffected Isaaq intellectuals, launched their offensive on May 29.

Sources said the rebels sent a small "assassination squad" into the town of Burao, where they succeeded in killing about 20 officials in the military, the secret police and the ruling party. With their leadership dead, many government soldiers ran away and the rebels easily captured the town.

The sources said the government since has retaken Burao and most other towns in the North. According to sources who were recently in Hargeisa, the North's largest town, government forces there have withstood heavy rebel attacks and now are firmly in control.

These sources added, however, that the rebels remained capable of initiating military strikes throughout the Northern part of the country.

## Bomb Scare Delays Flight

The Associated Press  
CAIRO — A Trans World Airlines jetliner bound for New York returned to Cairo International Airport after taking off Sunday because a telephone caller claimed there was a bomb on board, an airport official said. He said no bomb was found.

## Iran and Crowe

region that U.S. Navy ships were taking additional precautions and to state their intentions. Additionally, they were asked to respond to requests for identification and information in a threatening manner could be taken as a risk by U.S. officials.

As to the recent environment, we have alerted our forces to situations that Iran might attempt to carry out attacks on our forces over the Gulf of Persia.

We are still in the process of reconciling and collating the data. An official investigation of the incident will be conducted. Rear Admiral William M. Potts, United States Navy, of the Central Command, thus issued my statement.

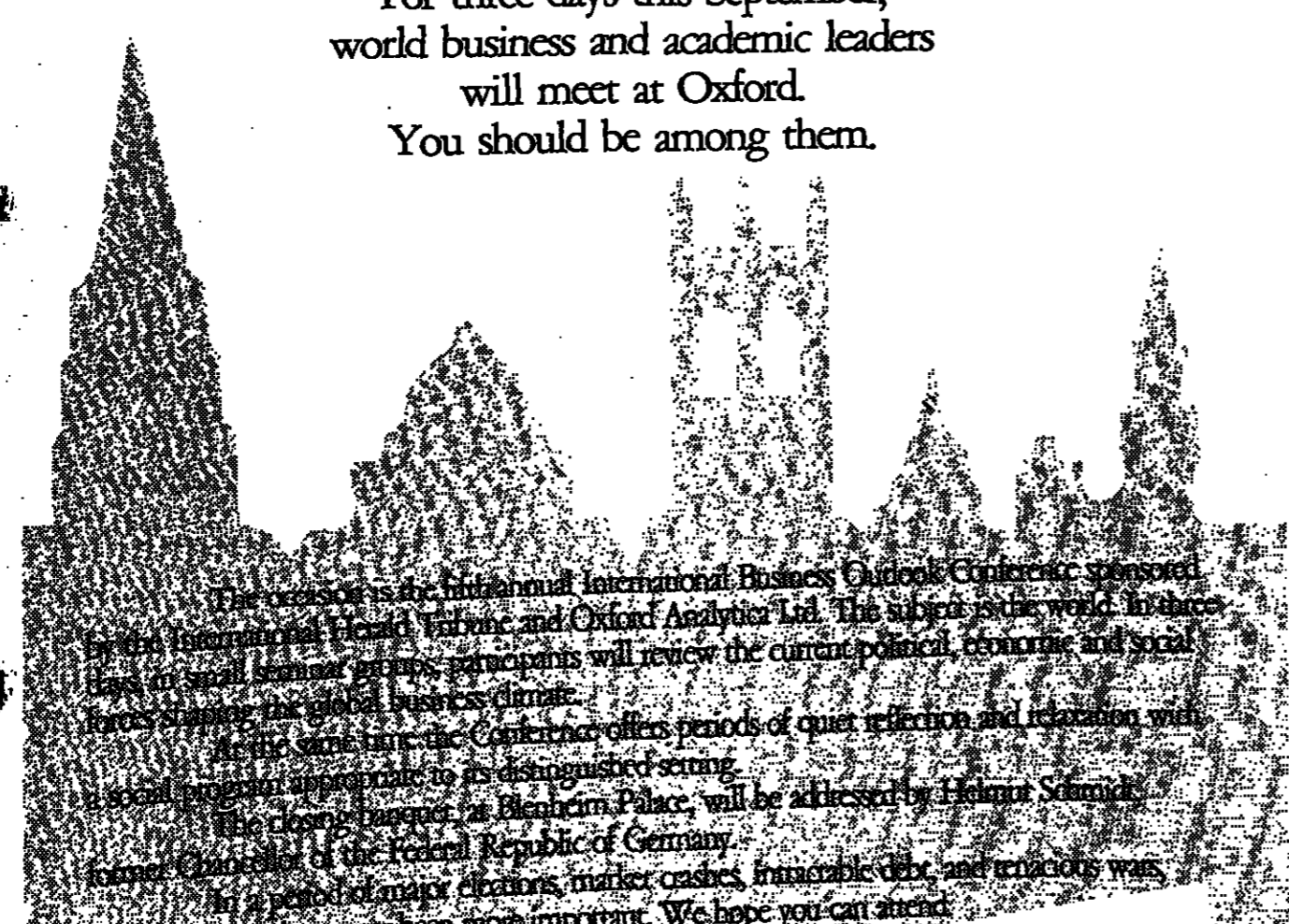
## An End to Signaling

impression of contacts in an effort to shake the confidence of Iraq in the United States. Arab Gulf states. These officials believe Iraq is a source of the recent signaling about secret contacts.

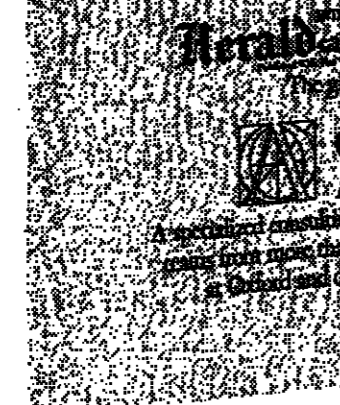
Robert B. Oakley, the State Security Council's Middle East secretary, last month wrote the administration memorandum warning that Iraq might take advantage of the denial of the secret contacts to gain the confidence of the Arab states and to better govern in the lead new Arab states.

# Your Oxford Summit.

For three days this September, world business and academic leaders will meet at Oxford. You should be among them.

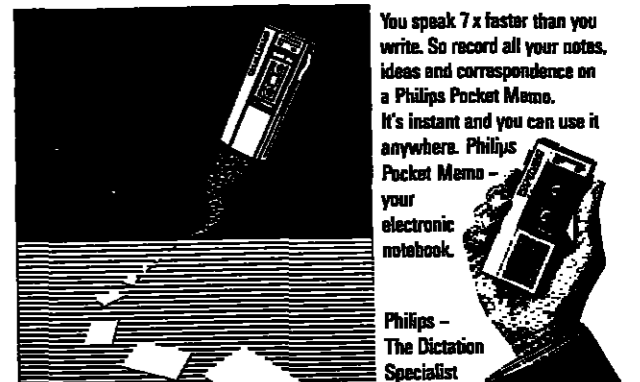


The Oxford Summit is an International Business Outlook Conference sponsored by the International Business Outlook Conference and Oxford Analytica Ltd. The subject is the world in three years. The summit will feature presentations by leading business and academic leaders. The summit will be held at the Bodleian Library, Oxford, on September 1-3, 1988. The summit will be held at the Bodleian Library, Oxford, on September 1-3, 1988. The summit will be held at the Bodleian Library, Oxford, on September 1-3, 1988.



Clip your card here. For information please send your business card to: The International Business Outlook Conference, 63 Long Acre, London WC2E 9JH. Tel: (44-1) 379 4302. Telex: 262209.

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### Survivors from the Titanic Tell of the Circumstances of Their Escape and Rescue

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OPINION

INTERNATIONAL TRIBUNE

A Question Still Open

The question of the century has been whether a full-blown totalitarian system, such as the one imposed by the Communist Party in the Soviet Union, could be transformed or at least substantially changed from within...

No Place for Ceausescu

Even as Stalinism's disastrous legacy comes under attack in Moscow, the old tyrannical style flourishes in Romania. Nicolae Ceausescu's harsh 20-year rule has turned one of Europe's traditional breadbaskets into a land of legendary deprivation...

Reform Talk in Mexico

It's not quite perestroika, but an entrenched party and keeper of the orthodox revolutionary flame is challenged by a new leader who urges bold democratic reform to rescue a tottering system...

Other Comment

three degrees from Harvard and children at Mexico City's Japanese school. Will he now open up Mexico's politics as efficiently as he has helped (President Miguel) de la Madrid to start opening up its economy?

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1988-1992. KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER, Co-Chairmen.

For a Federated State in the Holy Land

LONDON — The dream of a Jewish political homeland in the Holy Land, as conceived by Theodor Herzl, was oblivious of an Arab reality. Even today, a majority in Israel would like to treat this reality as a merely temporary impediment to the development and the stability of a sovereign state.

These are all simply clever devices that do not correspond to heartfelt emotions. We must not forget that we are dealing here with the passions of pride, loyalty, love, hate, fear and traditions that no legal verbiage can possibly allay.

After the Moscow Show: Questions and Answers

MOSCOW — Some questions provoked when he launched the Soviet Union on reforms can now be answered. Others remain open and even bigger ones have arisen.

World Food Prospects: Bad and Getting Worse

WASHINGTON — Drought in the United States brings into focus a deteriorating world food situation. After two decades of impressive gains, global food production has slowed.

Restoring the land's fertility is difficult and time consuming.

Restoring the land's fertility is difficult and time consuming. The loss of momentum in world food output is widespread. The remarkable increases in food production in industrial and developing countries alike during the last 15 years have come in part at the expense of soil and water resources.

Bush Has A Tranquil Strategy

By David S. Broder SAN FRANCISCO — An eerie serenity pervades the upper echelons of George Bush's presidential campaign. While Republicans fret that Michael Dukakis is being allowed to set the pace and agenda of the race, Mr. Bush and his advisers seem almost nonchalant.

100, 75 AND 50 YEARS AGO

1888: Patriotic Plans NEW YORK — Today (July 3) the dog days came in traditionally hot and there is every prospect tomorrow of a heated celebration of the anniversary of American Independence.

1938: Brazilian Trial

RIO DE JANEIRO — Details of the attempted revolt by President Vargas's own palace guardsmen against his "little dictatorship" over Brazil were revealed in court here today (July 3) for the first time.

1913: Minister Recalled

ATHENS — The Bulgarian Minister in Athens has been recalled and will leave for Sofia on Saturday (July 3).

FROM STORING IN... MONDAY, JULY 4, 1988... The Dollar B... Trundles Rig... PARIS — The dollar... increase in interest rate... to the Deutsche mark... exchange market. Ditt... central banks. The bandwagon, pushing the... resistance levels by... moment of its own... people," said Arnold... looking at facts... whether... improvement in the... deficit is sustain... Mr. Simkin said he saw... for moving... level when the level... interest rates was... than those prevailing in... Germany and Japan... what has hap... Money rushing into... dollar has fueled a rally in... Using the yield on 10-ye... what is left after sub... percent in the United States... and West Germany... current euphoria of a... fundamentals is out of fashion... from tomorrow... today's measure, making... U.S. government bond... more than German pap... managers to pick up... danger of the dollar... shows that the d... widely. Last year, the d... from a high of 542 basis... and 323 to 92 points ag... applied by Salomon Brothers I... narrower: 439 to 339 basis... points against the mark... THESE figures would seem... rally in the U.S. bond... an additional 30 to 40 ba...-exchange market. The... the exchange market... registered last year... is so much less favorable... A even bigger question is... of hedges — repurch... pushed the dollar sharply hi... manufacturers who exp... to lock in a favorable... anticipated dollar incre... Agrees, they appear to be... further. The decline in the... to mean official app... rumor circulating in the... in the Toronto sum... increase in the dollar... in December, when the Group... 137 to 139 yen. The doll... highest level since Novembe... The higher dollar suits W... exporters from raising... prices, such as those of a... increasing... A substantial part of the mon... in U.S. government... and speculators an easy in... but the resulting ebullience i... had little effect in the Eurob... sharply. The rise in n... impossible to arrange swaps at... See EUROB... Current... Other Dollar Values... Forward Rates... 100, 75 AND 50 YEARS AGO... 1888: Patriotic Plans... 1938: Brazilian Trial... 1913: Minister Recalled... Last Week... Last figures are as of...

MONDAY, JULY 4, 1988

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EUROBONDS

The Dollar Bandwagon Trundles Right Past Facts

By CARL GEWIRTZ International Herald Tribune

PARIS — The dollar continued on its roll last week. The increase in interest rates triggered in West Germany and matched by countries whose currencies are closely linked to the Deutsche mark created hardly a ripple in the foreign exchange market. Ditto the coordinated intervention by European central banks.

The bandwagon, pushing the dollar beyond points considered significant resistance levels by chartists, appeared to have developed a momentum of its own. "This is a rally driven by charts and technical people," said Arnold Simkin, a StratEcon economist. "No one is looking at facts."

Leaving aside the continuing large international imbalances and questions about whether the recent improvement in the U.S. trade deficit is sustainable, Mr. Simkin said he saw no justification for moving into the dollar when the level of real U.S. interest rates was lower than those prevailing in West Germany and Japan.

But that is what has happened. Money rushing into the dollar has fueled a rally in U.S. bond prices and driven yields lower. Using the yield on 10-year government paper, real interest rates — what is left after subtracting the rate of inflation — are 4.6 percent in the United States, compared with 5 percent in Japan and West Germany.

In the current euphoria of a strong dollar, however, looking at fundamentals is out of fashion. The focus of the market is today rather than tomorrow.

By today's measure, making no adjustment for inflation, 10-year U.S. government bonds yield about 370 basis points, or 3.7 percentage points, more than Japanese bonds and 218 basis points more than German paper — a powerful incentive for money managers to pick up extra income so long as there is no immediate danger of the dollar's exchange rate tumbling.

Experience shows that the differential in nominal rates can vary widely. Last year, the differential in favor of the dollar ranged from a high of 542 basis points to a low of 175 against yen bonds, and 323 to 92 points against DM paper, according to data supplied by Salomon Brothers Inc. So far this year, the range has been narrower: 439 to 339 basis points over the year; 263 to 185 basis points against the mark.

THESE figures would seem to suggest that, at the minimum, the rally in the U.S. bond market could push yields down an additional 30 to 40 basis points without upsetting the foreign-exchange market. The big question would seem to be whether the exchange market would tolerate the even lower differentials registered last year since the outlook on U.S. inflation is so much less favorable.

An even bigger question is what the Japanese will do. The unwinding of hedges — repurchases of dollars sold forward — has pushed the dollar sharply higher against the yen. But at some point, manufacturers who export to the dollar area will feel compelled to lock in a favorable exchange rate and begin to sell their anticipated dollar income in the forward market.

At present, they appear to be waiting for the dollar to strengthen further. The decline in the yen against the dollar has met virtually no resistance from the Bank of Japan. That is widely interpreted to mean official approval for weakening of the yen.

One rumor circulating in the market is that the Americans struck a deal at the Toronto summit for the Japanese to tolerate a 10-percent increase in the dollar's value from the level prevailing last December, when the Group of Seven affirmed their desire to stabilize rates. A 10 percent increase would put the dollar in the area of 137 to 139 yen. The dollar ended last week at 134.15 yen, its highest level since November.

The higher dollar suits Washington, since it should keep Japanese exporters from raising U.S. sales prices at a time when other prices, such as those of agricultural products and metals, are increasing.

A substantial part of the money moving back into the dollar is invested in U.S. government bonds, a highly liquid market assuring speculators an easy in or out.

But the resulting ebullience in the U.S. bond market last week had little effect in the Eurobond market. Issuing volume was down sharply. The rise in non-dollar interest rates made it impossible to arrange swaps at terms attractive to borrowers. In

Brazilians Request IMF Loan

Present Program For Cost-Cutting

BRASILIA — Brazil has formally asked the International Monetary Fund for a \$1.436 billion contingency loan and presented its cost-cutting economic package to the IMF, officials said.

The loan request was included Friday in a letter to the IMF director, Michel Camdessus. It was the first document of its kind sent by Brazil to the IMF since President José Sarney came to power in 1985.

Officials said the communication was not a letter of intent such as those Brazil signed during the past military regime.

"This is a letter of presentation of a reform program prepared by the Brazilian government," said the Brazilian undersecretary for finance, Michel Gartenkraut.

The letter said the program's goals were to avoid acceleration of inflation, create conditions for reducing it, restore sustainable economic growth, reduce disparities in income distribution and maintain vigorous performance in the foreign area.

Mr. Gartenkraut, Brazil's chief negotiator during a visit by an IMF technical mission in May, said Brazil was seeking the first \$300 million installment by Aug. 15. He said Brazil expected the IMF to approve the 18-month program by the last week of July.

Officials added to the loan request a technical memorandum of understanding that includes many of the objectives of Mr. Sarney's modernization and reform program.

Among the goals for 1988 are a \$5.4 billion balance-of-payments surplus and reduction of the public deficit to 4 percent of the gross domestic product, which is a nation's total output of goods and services minus income from operations abroad. The public deficit last year reached 5.5 percent of the GDP, which totaled \$313 billion.

Mr. Gartenkraut said officials drew up the program on the basis of inflation forecasts of about 600 percent for this year. Prices rose 336 percent during the first six months of 1988.

He said, "The great Brazilian victory was to manage to convince the IMF that it is not possible to reduce inflation drastically."

In Washington, meanwhile, the World Bank announced Friday an \$80-million loan to help Brazil finance construction of drinking water and urban sewage projects in Campinas, in São Paulo state.



The New York Stock Exchange has been seeing more foreign investment recently.

World Investors Returning to U.S.

Rise in the Dollar Makes Wall Street More Attractive

By John Meehan International Herald Tribune

NEW YORK — Hopes for a summer rally on Wall Street have come a step closer to reality amid signs that the dollar's recent strength is gradually helping foreign investors overcome their trepidation about U.S. stocks.

Although the mood among Japanese and European institutional investors falls far short of the euphoria that characterized their participation last summer, market analysts contend that the prevailing sentiment is decidedly better than a month ago.

Movers, traders say their foreign clients have indicated that they are not about to abandon the U.S. market even in the face of any temporary setbacks on currency markets. There is a notion among foreign investors, analysts say, that the dollar has turned a critical corner regardless of short-term fluctuations.

So far, the Japanese have been the most active among the foreign buyers, although traders emphasize that their relatively low level of commitment underscores a lingering hesitance.

"They're coming back in a moderate way, but the number of orders has definitely increased," said Yoshiyuki Yamashita, head of equity trading and sales at Nomura Securities International, which executes trades for many of Japan's biggest institutional investors.

John A. Conlon, who runs the trading desk at Nikko International, agreed.

3 in OPEC Set Oil Reserves Sharply Higher

BAHRAIN — Three Middle East states say they are sitting on up to three times as much oil as previously thought, in what analysts consider to be a possible ploy to justify pumping more into glutted world markets.

The analysts said the United Arab Emirates and the Gulf War foes Iraq and Iran, members of the Organization of Petroleum Exporting Countries, had doubled or tripled figures for their proven oil reserves during 1987 to compete for higher production quotas within OPEC.

"There is definitely a lot more oil to be discovered in the Gulf region," said Mehdi Varzi, oil research director at Kleinwort Grenvich Securities in London.

"However, I was very surprised to see the doubling and tripling of the reserve figures for those three countries," he said. "It is as if each country says 'I don't want to be left behind.' The feeling now is that the higher you raise your reserve figure, the larger the quota you can get from OPEC."

Iraq is not included in OPEC's current production pact because it rejects any quota less than Iran's. According to official estimates published in the latest issue of the British Petroleum Statistical Review, the United Arab Emirates' proven oil reserves tripled to 96.2 billion barrels at the end of 1987 from 32.4 billion barrels the previous year.

At the same time, Iraq's reserves doubled to 100 billion barrels from 47.1 billion, while Iran's shot up to 92.9 billion from 48.3 billion, the review said.

Mr. Varzi said he believed the figures were inflated, but there was no way of checking because the national governments which run the oil operations in those three countries were the sole bodies in a position to know.

"There has been a general tendency in the past to understate oil reserves in the Middle East. But to go from the figures which those three countries quoted earlier to the ones they are quoting now sounds dubious at best," he said.

Tax on Wealth In France May Affect 130,000

PARIS — France's new Socialist government was reported Sunday to be close to the reintroduction of a wealth tax, which would affect people with personal assets of more than 4 million francs (265,000).

No official confirmation was available, but President François Mitterrand had made the tax a part of his presidential campaign. It will finance a minimum income for the nation's poor.

The newspaper Le Monde said the tax rates were not definite, but no taxpayers would be expected to pay more than 80 percent of their personal income in combined wealth and income taxes.

Between 120,000 and 130,000 people are estimated to fall under the new rules, compared with slightly over 100,000 who paid the tax until 1986 under the previous Socialist administration. It will not be collected on work equipment, such as factories or machines, or works of art, a source said.

See EURO BONDS, Page 9

Currency Rates

Table of currency rates including Gold Rates, Cross Rates, and Forward Rates. Columns include currency type, rate, and date.

Citibank Prepares to Handle Egypt Debt-Conversion Plan

By Olatf Tohamy Special to the Herald Tribune

CAIRO — Citibank Egypt is preparing to launch the Egyptian's first debt-conversion plan amid indications that the authorities are receptive to the process of swapping \$1 billion in outstanding debt.

Citibank executives in Cairo said they expect the first agreement to be reached before the end of the year.

"Things seem to be promising," said Ahmed Bardai, Citibank's vice president and chief officer in Egypt, after a presentation at Egypt's central bank two weeks ago. "The burden is on Citibank now to come up with the first deal."

Mr. Bardai proposed debt-for-equity and debt-for-export swaps, which Citibank executives believe are applicable in Egypt. He said debt-for-export swaps would be easier, because they are not as controversial.

There has been recent debate in the parliament on prospects for privatization in Egypt, during which the minister of tourism and civil aviation, Fouad Sultan, came under fire. He said he would go ahead with his plans despite the opposition, and he said he believed that swaps were the best way of solving the problem.

Mr. Bardai said he was aware of the potential for carrying out debt-for-equity swaps in the rapidly growing tourism sector, which has attracted the most foreign and do-

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Advertisement for NORDMIX, a fund for accumulation of shares. Includes details about the fund's objectives and contact information for Banca Sella.

Advertisement for Citibank's Egypt debt-conversion plan, detailing the bank's role and the nature of the swaps.

Advertisement for ELOF HANSSON - THE GLOBETRADE, an international trading house active in pulp, paper, machinery, chemicals, timber, building material & steel, textiles, foodstuffs, consumer goods.

Advertisement for Chemical Bank Home Loans, offering special terms for UK mortgages and highly competitive rates.

Last Week's Markets

Table showing market performance for various indices (Dow Jones, Nikkei, FTSE 100, etc.) and money rates over the past week.

Advertisement for ELOF HANSSON - THE GLOBETRADE, featuring a stylized eagle logo and contact information.

Advertisement for Gestnord, providing information on the fund's performance and contact details.

Advertisement for Citibank's Egypt debt-conversion plan, detailing the bank's role and the nature of the swaps.

Advertisement for ELOF HANSSON - THE GLOBETRADE, an international trading house active in pulp, paper, machinery, chemicals, timber, building material & steel, textiles, foodstuffs, consumer goods.

Advertisement for Gestnord, providing information on the fund's performance and contact details.

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 323 11 30. Prices may vary according to market conditions and other factors.

Dollar Straights

Table of Dollar Straights bond prices including issuers like Aust Com Bk, Aust Govt, and various international bonds.

United Kingdom

Table of United Kingdom bond prices including issuers like Barclays, British Telecom, and various international bonds.

United States

Table of United States bond prices including issuers like A T & T, Amstar, and various international bonds.

Japan

Table of Japan bond prices including issuers like Dai Nippon, Dai Kang, and various international bonds.

France

Table of France bond prices including issuers like B F C E, B F C E, and various international bonds.

Canada

Table of Canada bond prices including issuers like Bank of Nova Scotia, Canada, and various international bonds.

Denmark

Table of Denmark bond prices including issuers like Danmarks, and various international bonds.

Sweden

Table of Sweden bond prices including issuers like S A S, S E C, and various international bonds.

Switzerland

Table of Switzerland bond prices including issuers like Swiss, and various international bonds.

INTERNATIONAL POSITIONS

You will find below a listing of job positions published last Thursday under the rubric International Positions.

Table of International Positions with columns for Title, Salary, and Employer. Includes roles like Procurement Project Leader, General Counsel, etc.

If you haven't seen last week's INTERNATIONAL POSITIONS rubric, please ask for a free copy: Max Ferrero, INTERNATIONAL HERALD TRIBUNE, 92521 Neuilly Cedex, France. Tel: (1) 46.27.93.81. Telex: 613595

DM Zero Coupons

Table of DM Zero Coupons bond prices including issuers like Aust Contr, Aust Govt, and various international bonds.

DM Straights

Table of DM Straights bond prices including issuers like Aust Contr, Aust Govt, and various international bonds.

DM Eurobonds

Table of DM Eurobonds bond prices including issuers like Aust Contr, Aust Govt, and various international bonds.

DM Eurobonds Yields

Table of DM Eurobonds Yields including U.S. 5 1/2% and other yields.

DM Eurobonds ECU Straights

Table of DM Eurobonds ECU Straights bond prices including issuers like Aust Contr, Aust Govt, and various international bonds.

DM Eurobonds Weekly Sales

Table of DM Eurobonds Weekly Sales including primary market and secondary market data.

DM Eurobonds Liber Rates

Table of DM Eurobonds Liber Rates including U.S. 5 1/2% and other rates.

DM Eurobonds Eurobonds

Table of DM Eurobonds Eurobonds bond prices including issuers like Aust Contr, Aust Govt, and various international bonds.

DM Eurobonds Eurobonds Yields

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FRENCH COMPANY HANDBOOK 1988

Now in the 1988 completely revised and updated edition, almost 200 pages of indispensable information in English on a selection of 85 of the most important French companies...



Table of French companies listed in the handbook, including ACCOR, AEROPORTS DE PARIS, AIR FRANCE, etc.

WestLB

Fixed Income and Equities Trading - for dealing prices call.

WestLB advertisement including contact information for Düsseldorf, London, Luxembourg, and Hong Kong, and a list of market makers.

Vertical sidebar containing various financial notices, Eurobond information, and other market-related text.





NASDAQ National Market

OTC Consolidated trading for week ended Friday, July 1

Main table containing NASDAQ National Market data with columns for stock symbols, sales volume, high/low/close prices, and net change. Includes sub-sections for various market segments like A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Amsterdam
Trading last week was dominated by...
The ANEP-BS general index...
The market's positive...
The market's positive...
The market's positive...

Frankfurt
West German stocks had a good...
The Commerbank index...
The market's positive...
The market's positive...
The market's positive...

Mutual Funds
The following table shows...
The following table shows...
The following table shows...

Table of Mutual Funds with columns for fund name, sales volume, and price changes.

(Continued on next page)

Arabic text at the bottom of the page.

WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam
Trading last week was dominated by intervention against the dollar. The ANP-CBS general index closed at 262.8, slightly below the previous Friday's 263.3.

Hong Kong
Trading was bullish last week, the Hang Seng Index falling 22.92 points from the previous Friday to close at 2,684.64.

Milan
Prices managed a slight gain for the week, the Comit index closing at 5124.6, against 5111.06 the previous Friday.

Tokyo
Total turnover, at 289.3 million shares, was slightly down from the previous week's 306.01 million.

Frankfurt
West German stocks had a good week, the Commerzbank index rising 28.8 points from the previous Friday to close at 1,459.6.

London
The market fluctuated broadly to end the week slightly lower, affected by discouraging British trade figures and interest-rate increases in Europe.

Paris
The CAC index finished the week at 3587.7, against 3555.0 on Tuesday. It had been unavailing on Tuesday, but advanced on Monday because of strikes and technical problems.

Zurich
Share prices finished little changed, the Credit Suisse index closing at 468.6 against 471.8 the previous Friday, and the Swiss Bank Corp. indicator finishing at 519.1 against 520.4.

Yen Straight
The DAX index, which finished its first day at 1,163.52, up 23.03 points. The base of 1,000 represents prices at last Dec. 31.

Singapore
The market remained bullish last week, with the Straits Times Industrial Index hitting a record for the year. The barometer finished at 1,105.41 Friday for a weekly gain of 21.72 points.

Singapore
Share prices finished little changed, the Credit Suisse index closing at 468.6 against 471.8 the previous Friday, and the Swiss Bank Corp. indicator finishing at 519.1 against 520.4.

Mutual Funds

NEW YORK (AP) - The following mutual funds, listed by the National Association of Investment Dealers, are among the top 100 funds in the world (Net Asset Value as of 6/30/88, sales charges) Friday.

Table with columns: Fund Name, Assets (\$ mil), and other metrics. Includes funds like Fidelity, American Mutual, and others.

Euromark At A Glance

Table showing various market indicators, yields, and weekly sales figures for Euromark.

Libor Rates

Table listing Libor rates for various currencies and maturities.

Mutual Funds (continued)

Table with columns: Fund Name, Assets (\$ mil), and other metrics. Continuation of the top 100 mutual funds list.

Mutual Funds (continued)

Table with columns: Fund Name, Assets (\$ mil), and other metrics. Continuation of the top 100 mutual funds list.

Mutual Funds (continued)

Table with columns: Fund Name, Assets (\$ mil), and other metrics. Continuation of the top 100 mutual funds list.

Chicago Exchange Options

Figures as of close of trading Friday, July 1

Table of Chicago Exchange Options with columns for Option & Price, Calls, and Puts. Lists various contracts and their prices.

Options & Prices

Table of Options & Prices with columns for Option & Price, Calls, and Puts. Lists various contracts and their prices.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

Table with columns: Sales in 100s, High, Low, Close, Net Change. Shows trading data for various securities.

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Options & Prices (continued)

Table with columns: Option & Price, Calls, and Puts. Continuation of options data.

Table with columns: Option & Price, Calls, and Puts. Continuation of options data.

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Treasury Bonds

Table showing Treasury Bond yields and prices for various maturities.

U.S. Consumer Rates

Table showing U.S. Consumer Rates for various categories and time periods.

MORGAN STANLEY

MORGAN STANLEY advertisement with contact information, address (Bahnhofstrasse 92, Zurich), and services offered.

SOURIN MELIKIAN

IN THE BEST SATURDAY WITH AUTHORITY WRITING ON THE WORLD OF ART AND AUCTIONS





Making Much Of Fallen Trees

LONDON — The hurricane that uprooted so many trees last autumn provided a windfall of fine timber, some of it picked up by craftsmen, much by scavengers.

MARY BLUME — "That may be one reason why Kew specifically invited us to make the furniture," says Makepeace, a solid and rather solemn

the bean family, and an American walnut that Kew visitors knew well and loved.

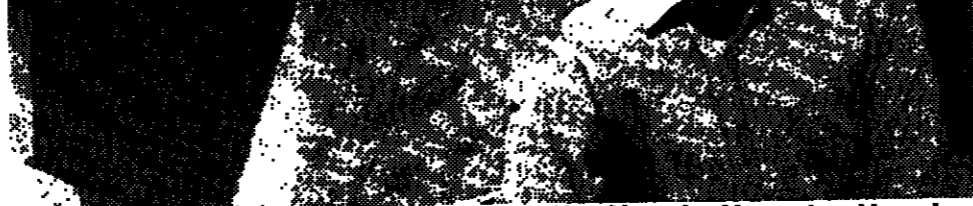
"Of course we can buy American walnut in this country but to be able to take this tree which everyone has loved and put it into a place where it will be seen in another form has really excited us all."

Makepeace, 49, uses the word "we" to refer to the craftsmen he has gathered in Parnham House in Dorset, a stately Elizabethan house remodeled by Nash that became a country club (the buying of dogs there is said to have prompted Conan Doyle to write "The Hound of the Baskervilles")

and then an old people's home. Makepeace bought it in 1976 and has converted it into an exhibition and study center, as well as a workshop and school.

He uses as much British-grown timber as he can — oak, ash, cherry, robinia, holly, burr elm, ripple sycamore, yew — and the planks are left to season naturally, at least a year for each inch of thickness. Colors painted on the ends of the planks denote the year in which they were sawed.

In 1976 Makepeace founded his School for Craftsmen in



Furniture maker-designer John Makepeace with a side table made of burr oak and burr elm.

Wood, a two-year course whose most famous alumnus is Lord Snowdon, Prince Margaret and Lord Snowdon. Students learn not only how to make furniture but how to market it and run a small business.

Next year, on a site three miles (five kilometers) from the present school, Makepeace will open a new school devoted to timber growing and processing, advanced manufacturing, marketing and management. The course will be two years, with shorter courses for farmers, landowners, architects and engineers, and the school's main building is by Ahrens, Burton and Koralek, with Professor Frei Otto, an expert on lightweight structures, as consultant architect.

The school building will be made from forest thinning — bits of timber up to eight inches (20 centimeters) in diameter (20 centimeters) in diameter of little value, and Makepeace's point is to show, through the use of thinnings in design, how much is still to be learned about the use of forest resources.

On July 5 in London, a five-day exhibition called "Parnham in Covent Garden" will show designs by Makepeace and his students including laminated pieces from thinnings and a cedar throne which, with three pieces yet to be made, will use the trunk of a single tree.

Almost all Makepeace's work is commissioned, extremely expensive and aesthetically dull, more interesting for its intentions than for its design. It is the sort of furniture that looks best — and sells extremely well — on company boardrooms, which means that Makepeace's furniture is seen

most by top executives and cleaning women. He does not feel his work is elitist: "If you are going to have people who do things to the best of their ability, things that involve a good deal of effort, time and thought, it means there is a lot of accumulated cost on that object. I don't think that's elitist, I think it's that we want quality in our lives and have to be prepared to make that effort."

Makepeace would have become a churchman had he not discovered woodworking at age 11 and later learned his craft as a paying pupil. It was oddly enough a Greyhound trip across the United States in the early 1960s that made him see that there might be a future in handcrafted furniture.

Back in London, he survived by making furniture in volume for Heal's and Harrods and Liberty's, but he also made some products that were so popular they were bought by Habitat — they were making 10,000 tables a year for them at one time.

Much of Makepeace's renown, and the support his Parnham Trust gets from glittering names, comes from his interest in the proper use of British woodlands. "Britain actually imports 90 percent of its timber and yet 10 percent of our land is growing trees," he says. "We are moving

now quite dramatically to finding the marvelous properties of indigenous woods, which have been so neglected."

Makepeace has proved in his work that native wood can be as interesting as exotic imports. Showing photographs of tables that are now in the office of the chairman of a major British investment company, he points out that they are made from pieces of bog oak that some people had shown to be 5,000 years old.

The wood is very dark with a natural luster. "What I find intriguing is I was brought up in a time where if we wanted black wood we imported ebony. This timber has traditionally been wasted because it comes sodden with water and cracks very quickly. We've had to learn how to dry it so it doesn't fall apart. By very slow drying, we're able to retrieve the material."

Makepeace says he admires the French furniture maker Emile-Jacques Ruhlmann and that in his view he has been touched by William Morris. "Particularly Morris's understanding of inherited traditions, his perception that work should be worthwhile and rewarding in more than a material sense. I find that utterly inspiring."

"The excitement is that in the 20th century, in the moment in which we are living, we have to be so much aware of the world issues. Then there are the social issues, the nature of work, the thing that William Morris was so worried about, the satanic mills. If you're a designer, you're determining how other people work at the same time that you're determining how other people will live. And so it has all these issues, which is marvelous."

Some Intelligence on Intelligence

By William Safire

WASHINGTON — What idea is it that comes to mind when you hear the noun intelligence?

Brains? Wit? Perception, understanding, ability to figure things out, to reason abstractly? If that's your first reaction, you are in the center of six centuries of the meaning of the word, and may be using it as an attributive noun to modify tests and quotients.

You are also behind the times. The sense that has more frequently sprung to mind in this generation deals with "the gathering and evaluation of information, especially about an enemy."

That espionage-product sense surfaced in the 16th century with the use of *intelligence* as a synonym for "spy," diplomats were sources then, the historian John Hamden Fleming reported in 1887, from the queen's "intelligence" from her ambassadors. The diarist Samuel Pepys wrote of a House of Commons member who complained "that he was allowed but £700-a-year for intelligence," and in 1799, the Duke of Wellington's dispatches cautioned, "if our intelligence is true . . ."

Forget it. Not even spooks use the word to mean the product of spying anymore. "In the real world," writes Herbert E. Meyer in his book "Real-World Intelligence," "intelligence" has come to mean information that not only has been collected and collected, but also analyzed, evaluated and distributed to meet the unique policymaking needs of one particular enterprise. . . . In short, intelligence has become a management tool."

Meyer, who was vice chairman of the National Intelligence Council in William J. Casey's Central Intelligence Agency, holds that the word's meaning is now understood in a wide-ranging, beyond-spying sense as it is being absorbed into the everyday life of strategic planners in business: "It is this broadening of the concept of intelligence

— from stealing secrets . . . to "organized information" — that has freed business to leap forward in the use of intelligence."

In one part of the world, an associated noun has not changed its meaning at all. Muscovites still use the word *intelligentsia*, which means "intellectual elite, cultural vanguard," and carries a connotation of snobbery in the United States but is not pejorative in the Soviet Union for good political reason. Mikhail Gorbachev is appealing to those writers and artists to help him oust party members from power. The word was first recorded prior to 1907 by the English journalist Maurice Baring, who wrote in "A Year in Russia" about the fear professed by some revolutionaries of "a general massacre of the educated bourgeoisie, the so-called 'intelligentsia.'" The Economist of London has popularized a spinoff to describe the perk-happy party elite: *privilegentsia*.

GET your Truth Squad on the road," the Bush campaign was exhorted by supporters who felt that Democratic candidate Michael Dukakis was making unchallenged claims. Republican Senator John S. McCain 3d of Arizona was promptly dispatched into cities where Dukakis was scheduled to appear. His task was to present questions about the candidate's record. Presumably, McCain or another surrogate for George Bush would remain to rebut his remarks until the Democrat had left.

"Calling the technique 'bracketing,' reported the Washington Post, "the Bush aide said the campaign intended to be in front of Dukakis 'until the last day of the campaign.'"

The marks around the phrase "a Bush aide" in the preceding sentence are called *brackets*. That word was originally used in architecture in the 16th century to describe supports projecting from a wall to bear the weight of a shelf or cornice. In mathematics, the squared parentheses have been used to indicate that the numbers or letters enclosed are to be treated as a unit. The word also has meaning in shipbuilding, gunnery and gossip columns.

What's the etymology? The new Random House 11th Dictionary says it's of "obscure origin," but the Oxford Dictionary of English Etymology says it comes from the French *bracquet*, diminutive of *brague*, a word that pops up in English as *breeches*. (Why *breeches*, a synonym of *trousers*? *Scrapie*, a disease of sheep, was fearfully defined as "a flap or cover for the crust in men's hose or tight-fitting breeches.")

In punctuation, the marks are used to indicate an interpolation by the writer within another's quotation. In the political parlance, *bracketing*, we may have one of the first neologisms (and perhaps the 1988 presidential campaign tag) — "Truth Squad." I was never able to pinpoint the origin of that phrase, but it may have been coined on the analogy of "Poison Squad," an intrepid group of Agriculture Department untouchables whose self-experimentation led to the Pure Food and Drug Act of 1906. The earliest citation, according to the Oxford English Dictionary Supplement, is from The Tuscaloosa (Alabama) News of Nov. 3, 1932: "The Republican 'Truth Squad,' after trailing President Truman across the country on his campaign today, passed down the final verdict today that the president was guilty of over 100 lies, half-truths and distortions."

In the 1936 Eisenhower campaign, Adlai Stevenson, mildly nettled by having his steps dogged by "correcting" Republicans, said, "A truth squad bears the same relationship to 'truth' as a fire department does to 'fire.'"

In the 1960 campaign, the Nixon forces assigned a team led by Pennsylvania Senator Hugh Scott called the Truth Squad to bedevil John F. Kennedy, but that group's appointment in a town only after the Democratic candidate had left. In his 1988 form, the technique is to supposedly point out questions in advance and make rebuttals afterward — thereby *bracketing* the opposition candidate's appearance.

"Call it *bracketing*," scoffed Stephen Rosenfeld, a Dukakis campaign aide, "surrounding working with *skyhooks* — they are trying everything except building a strong position for George Bush."

We will monitor that word, however. If it makes it in the parlance of politics, this year's campaign will not have been a linguistic loss.

New York Times Service

Edberg Wins at Wimbledon

Stefan Edberg of Sweden won Wimbledon on a rainy Monday for his way to a 4-6, 7-6, 6-4, 6-3 victory over Yannick

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ANNOUNCEMENTS

REAL ESTATE FOR SALE

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE

AUTO RENTALS

AUTOS TAX FREE

LEGAL SERVICES

UP TO 52 FREE ISSUES

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE

AUTO RENTALS

AUTOS TAX FREE

LEGAL SERVICES

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Kiosk

Soviets Forgive War Deserters

Place Your Classified Ad Quickly and Easily

International Business Message Center

Edberg Wins at Wimbledon